

Performance Pay System

Implementation Plan

“Linking the Department’s Mission with Individual and Team Performance”



Colorado Department of Agriculture

February 2003 -- revised

"Linking the Department's Mission with Individual and Team Performance"

Overview

This document describes the elements of the Department's plan to implement Colorado's Pay for Performance System [hereinafter, 'P4P'] as required by SB 00-211. Plan elements are consistent with design criteria specified by Department of Personnel and Administration ['DPA'] and recent rule-making in the state's Pay for Performance System. **Major changes from our November 2001 plan are indicated in boldface or otherwise noted.**

The purpose of this plan is to link the Department's mission with individual and team performance. In particular, the Department's plan is based upon clear consensus measures of performance that reflect the most important functions and activities of the employee's work unit.

The Colorado Department of Agriculture ['Department' or 'CDA'] currently has approximately 300 employees in ten locations across the state. The Department has eight operating divisions, including the State Fair, plus the Commissioner's Office and Administrative Services. A Department organization chart is displayed as Exhibit 1.

This plan is based closely on the Department's initial plan for Colorado Peak Performance ['CPP'], submitted to DPA in February 2000, subsequently approved, and revised in June and November 2001, and approved each time. Changes from the Department's CPP plan were minor and were made to conform to the new DPA guidelines and rule-making for the state's P4P plan.

This latest revision of CDA's P4P Implementation Plan was made after completing one cycle of P4P under the Department's November 2001 Plan. The Department's entire plan was reviewed by a cross-department task force of 12 employees between September and November 2002. Recommendations were submitted to the Department's Division Directors, the commissioner, and other senior staff in December and approved.

The group concluded that the Department's P4P Plan and its implementation are basically sound. Negative elements of the plan are chiefly outside the control of the Department, and include:

- 1. P4P underfunding (\$285,000 was originally earmarked for P4P payouts, but only \$140,000 was finally appropriated);**
- 2. the one-time effects of annualization (for example, employees below pay range maximum with anniversary dates in June only received 1/12 of their expected payouts);**
- 3. money left on the table due to the mismatch between Department funding sources—general, cash, and federal--and P4P payments to the employees tied to these funds (out of the \$140,000 appropriated to the Department for P4P, only \$119,000 was finally distributed to CDA employees because of this 'color of money' issue)**

Plan elements described in this report include:

1. Annual Timetable
2. Performance Planning and Evaluation
3. Performance-based Pay: Allocation
4. Nonmonetary Awards and Recognition
5. Dispute Resolution
6. Training and Communication
7. Plan Review, Modification, and Annual Report

Details of the plan are included in six exhibits found in the Appendix:

- Exhibit 1: Department Organizational Chart
- Exhibit 2: Department CPP and P4P Timetable
- Exhibit 3: Department P4P Performance Agreement Form and Instructions
- Exhibit 4: Department P4P Fund Allocation Diagrams (2)
- Exhibit 5: Department P4P Dispute Resolution Process
- Exhibit 6: Department P4P Plan Summary for Employees

1. Annual Timetable

The Department's 12-month performance cycle is April 1-March 31. Performance reviews and planning for each new cycle is done during April. Preliminary payouts are computed during May and disputes, if any, are resolved during May and June. Monthly payouts for base building awards begin in July and lump sum non-base building payouts are made in July. The Department's core team for P4P reviews the effectiveness of the plan and its implementation in the fall, and makes recommendations as necessary to senior management no later than December.

2. Performance Planning and Evaluation

The Department's P4P plan is guided by two fundamental principles:

- individual and team performance must be linked to the Department's mission
- performance must be measurable

To emphasize these basic points in a fresh way, a completely new Performance Agreement form was developed to replace the traditional PACE form. This form and detailed instructions are included in Exhibit 3 for general professionals; forms for other job classes are available upon request. Important characteristics of the new form include:

- a. The statewide uniform core competencies developed in the spring of 2001 are considered in the final rating for each employee.
- b. The Performance Agreement form explicitly relates performance evaluation to the employee's job description and to measures—both qualitative and quantitative. All three

elements—job description, performance measures, and performance evaluation—are closely connected.

- c. The old PACE form uses one set of factors for evaluating performance—a “one size fits all” approach. To get a better fit between the Department’s mission and individual and team performance, the new form uses three categories of performance factors:

Categories of Performance Factors	Principal Types of Measures Used
Job Class Performance Factors	Qualitative
Individual Performance Factors	Qualitative & Quantitative
Team Performance Factors (optional)	Quantitative

Quantitative measures use numerical units; *qualitative* measures are non-numerical.

Job class factors were developed by teams representing each major job class within the Department during 1999-2000. These job class factors were derived primarily from the class descriptions developed by DPA for the job class and the old PACE form. For example, a team of Program Assistants developed a list of eight job class factors suitable for evaluating performance; these factors are regarded as universal for this job class across the Department. Similar lists of job class factors were developed for each of the following working titles: program assistants, general professionals, brand inspectors, fruit and vegetable inspectors, and plant industry inspectors, accountants, and budget analysts.

Job class factors are evaluated using qualitative measures listed on page 7 of the Performance Agreement Form (Exhibit 3). These qualitative measures were developed by DPA and will be used for qualitative evaluation of all job class factors across the Department.

Individual job factors contain elements specific to the employee’s position. These factors may include individual performance objectives (IPOs) and specific activities with targets for ‘peak performance’ ratings. These factors may be quantitative or qualitative, or both.

Each supervisor is required to have an individual job factor that measures and evaluates his or her effectiveness as a supervisor.

Team performance factors are optional. Each employee is part of a very important team—the section or organizational unit to which the employee belongs. The employee may also belong to other teams within—and beyond—the Department.

The core P4P team is preparing a data base of sample performance measures for supervisors and employees to access. Most measures will be gathered from existing performance agreement forms, and will be gathered with the consent of both the supervisor and the employee.

- d. Each employee’s performance score is a number between 100 and 400. During the performance planning process, the employee and supervisor mutually agree on assigning a weight, or percent, to each category; the sum of the three weights must equal 100%.

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The only restriction is that the job class factor weight must be at least 25%. A weight of 0% for team performance is permitted. Each category has a maximum total of 400 points before weighting. Within each category—job class, individual, and team—performance factors are weighted; the sum of these weights within each category must equal 100. Total point ranges for four categories of job performance are shown below.

Performance Evaluation Score	Performance Evaluation Category
100 – 200	Needs Improvement – Not Eligible for P4P Awards
201 – 250	Satisfactory – Eligible for P4P Awards*
251 – 350	Above Standard – Eligible for P4P Awards*
351 – 400	Outstanding – Eligible for P4P Awards

*Satisfactory and Above Standard employees are eligible for P4P awards only if they are below pay range maximum on the pay scale.

- e. The rating of 'Outstanding' is unique and difficult to achieve because it represents consistently exceptional performance or achievement beyond the regular assignment and requires additional documentation for validation. **Due to the great variation in duties and activities across the Department, there are no plans to establish common Departmentwide criteria for documenting Outstanding performance.**
- f. After the employee and supervisor have reached agreement on the plan, the plan shall be forwarded to a reviewer for final approval. If a supervisor and reviewer fail to plan and/or evaluate, the responsibility goes up the chain of command until the plan and/or evaluation is completed, as required by law.

The employee's final evaluation shall be prepared by the supervisor and reviewed by the second-level supervisor. The Deputy Commissioner **may** review all evaluations to assure the quality and consistency of performance ratings within the Department before final overall ratings are provided to employees. The Deputy Commissioner may, at his or her discretion, appoint a review panel consisting of the Human Resources Administrator and two division directors selected randomly to review the evaluations.

- g. If a supervisor fails to give an employee a final evaluation, the employee's rating is deemed to be satisfactory until such time that a final performance evaluation is completed.
- h. Quotas or forced distribution processes for determining the number of ratings in any of the four performance levels shall not be established.
- i. Multi-assessment processes, where feasible, shall be considered for evaluating employees. **More training and informational materials will be made available for interested supervisors and employees.**
- j. **For transfers and new employees, evaluations from former and current positions within the Department or other state agencies shall be weighted according to the time spent in each. For example, an employee with 3 months in the Department of Revenue (DOR) and 9 months in the Department (CDA), and with an evaluation**

from each department, should have a combined rating of 25% times the DOR score plus 75% times the CDA score.

- k. For employees transferring from another state agency into the Department, policies and rules affecting P4P adopted by the Colorado Department of Agriculture shall apply--not those policies and rules of the employee's previous state agency employer.
- l. If an employee fails a core competency, the employee is not eligible for any monetary award from P4P. In such cases, a formal performance improvement plan or a corrective action must be issued with the employee's final evaluation. There should be 'no surprises' at the time of the final evaluation.
- m. Supervisors shall meet with each employee at least once during the evaluation year for a progress review. This meeting should be held mid-evaluation year (October or November) and be documented on the Performance Agreement Form. Additional progress reviews are recommended, and are required if an employee has performance problems. Progress reviews are documented on page 1 of the Performance Agreement Form. Performance issues are to be documented, so the employee will be aware of problems throughout the evaluation year. There will be no "surprises" at the final evaluation.
- n. Absent extraordinary circumstances, failure by any supervisor, including supervisors in the Senior Executive Service (SES), to provide timely plans and evaluations in accordance with established timelines will result in a corrective action and their ineligibility for a performance award. However, this does not require that a supervisor's overall performance rating be "needs improvement." All supervisors who fail to complete evaluations within 30 days of the corrective action are subject to CRS 24-50-118 (current statutory requirement for increments of 5-day suspensions for all supervisors failing to provide timely evaluations). These supervisors shall receive a 5-day suspension if all evaluations have not been completed by the end of the 30-day corrective action.

The Human Resources Office is responsible for tracking supervisory compliance and the reviewer (division director or deputy commissioner) is responsible for imposing corrective action and/or sanction on offending supervisors.

3. Performance-based Pay: Allocation

Key elements of the Department's plan for allocating P4P funds are outlined below.

NOTE: THE ALLOCATION ELEMENTS BELOW MAY BE MODIFIED IN LIGHT OF FURTHER CLARIFICATION BY DPA CONCERNING: (1) THE FORMULAS FOR DETERMINING THE SIZE OF EACH DEPARTMENT'S P4P FUNDING BEYOND FY02; AND (2) THE SOURCE OF FUNDS TO COVER BASE BUILDING INCREASES.

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- a. the primary allocation unit is the division; smaller allocation units, **such as sections**, are permitted; **no division however small, should be required to combine with another division or unit to form an allocation unit.**
- b. **Division directors shall remain part of their own divisions in the allocation unit process.**
- c. Department P4P funding is allocated into three funds, or pots, described below. Exhibit 4a contains diagrams that display these funds and payout scales.

pay range maximum = traditional maximum = (former) step 7 = upper limit on base-building
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- *Below Pay Range Maximum Fund ['BPRM Fund']*
 - ✓ Target of 3% of total salary base for all employees Below Pay Range Maximum
 - ✓ Allocated to units proportionate to their Below Pay Range Maximum payrolls
 - ✓ If less than 5/6 of an allocation unit's BPRM Fund is not used for employees below pay range maximum, unused funds are returned to the Department level
 - ✓ Equal performance scores share equal percent of salaries from the BPRM Fund within the same allocation unit.
 - ✓ Employees below pay range maximum with Satisfactory ratings may earn pay awards of 0.5% from the BPRM Fund.
 - ✓ Employees below pay range maximum with Above Standard ratings may earn pay awards of 1-5% in stepwise increments of 0.5%.
 - ✓ Employees below pay range maximum with Outstanding ratings may earn pay awards of 5% from the BPRM fund in addition to awards from the Peak Performance Fund.
 - ✓ Payouts from the BPRM Fund are to be base-building and cannot exceed pay range maximum.
- *Commissioner's Fund*
 - ✓ Up to 2.5% of the Department's total P4P allocation
 - ✓ Payouts may be used to recognize exceptional individual or team performance, to rectify inequitable funding situations among allocation units, or to help achieve goal of minimum awards of 0.5% of base salaries.
 - ✓ Awards determined at department level

- *Peak Performance Fund*

- ✓ Pays awards for Outstanding employees at and below pay range maximum
 - ✓ Funded by the balance of Department P4P funds, after Below Pay Range Maximum Fund and Commissioner's Fund are allocated monies
 - ✓ Minimum funding level of 25% of the Department's total P4P appropriation
 - ✓ Equal performance scores share equal percent of salaries from this fund within the same allocation unit.
 - ✓ Allocated to units proportionate to their total payrolls
 - ✓ Outstanding employees below pay range maximum may earn pay awards of 1-5% in increments of 0.5% from the Peak Performance Fund, in addition to their awards from the BPRM Fund. Such awards from the Peak Performance Fund will be base building.
 - ✓ Outstanding employees at pay range maximum may earn pay awards of 1-10% in stepwise increments of 1% from this fund. Such awards are not base building.
- d. All three funds will be reduced proportionately in the event of under funding.
- e. **'Firewalls' shall be kept around each allocation unit's BPRM and Peak Performance funds, which are determined solely by the unit's payroll profile and the Department's P4P allocation. In particular, differences in employee ratings shall not affect the fund allocation process to divisions and other units. For example, if no employee in an allocation unit is rated Outstanding, then more money per eligible employee is available for those rated Above Standard. Conversely, if most or all employees in an allocation unit are rated Outstanding, then each such employee will receive a smaller payout than otherwise expected.**
- f. Exhibit 4b visually displays the relationship between an eligible employee's evaluation score and the employee's P4P payout as a percentage of the employee's salary. A preliminary dollar payout is then calculated for each employee in the allocation unit who is eligible for a payout from the BPRM Fund and/or the Peak Performance Fund. Finally, these dollar payouts are adjusted proportionately by the amount of money actually available in these two funds within the allocation unit.

- g. Minimum award: Any P4P award made should be at least 0.5% of base pay, based on a fully-funded P4P allocation to the Department. **However, actual payouts for employees rated Satisfactory and eligible for a 0.5% payout shall be adjusted to fit the amount of P4P money available in the same way as actual payouts for eligible employees rated Above Standard and Outstanding must fit the P4P money available.**
- h. Base building awards shall be paid as part of monthly base salary effective July 1 and applied after any salary survey.
- i. Non-base building awards shall be paid in a lump sum in July and applied after any salary survey.
- j. Performance awards for part-time Department employees shall be paid on a *pro rata* basis.
- k. **Performance awards for employees (full-time or part-time) transferring into the Department from another state agency shall be paid entirely under the Department's P4P plan, using the weighted evaluation scores as described in section 2.j. of this plan (see page 5). If the combined periods of their state agency employment does not cover the full evaluation period of April 1 through March 31, they shall be paid on a *pro rata* basis.**
- l. **Employees hired by the Department before January 1 that have not transferred in from another state agency must have worked for the Department for at least three months and have an approved performance plan to be eligible for performance awards. Employees hired by the Department in January, February, or March who are not transferring in from another state agency are not eligible for performance awards.**
- m. By state rules, the Director of the Department of Personnel determines annually the value of "Z"—the maximum increase as a percent of base salary allowed as a payout under P4P. (The above guidelines assume Z = 10%.) No payout can exceed the value of Z.
- n. Appointing authorities will make pay decisions based upon the evaluations completed by raters and reviewers within system boundaries.
- o. All awards are subject to available funding and no award will be guaranteed.
- p. During the first-year transition in 2001-2002, the department calculated awards using the statewide, employee-based annualization process as described in the report to the JBC dated August 31, 2000.

4. Nonmonetary Awards and Recognition

A CPP team conducted a survey of Department employees during 1999-2000 to determine the kinds of nonmonetary awards and recognition for exceptional performance that would be appropriated and appreciated. These include such options as:

- administrative leave
- flex time
- flex place
- wellness/fitness time
- recognition for a job well done
- independence/autonomy
- state park priority spaces
- hunting, fishing and hiking privileges on private lands

These options will continue to be actively reviewed by the P4P core team and senior management. Non-monetary awards for employees with Above Standard and Outstanding ratings are allowed, regardless of position in pay range.

Awarding administrative leave as part of P4P or otherwise to recognize exemplary performance or service shall be done at the Department level to ensure consistency. The option of flex-time, as part of P4P or otherwise shall remain at the discretion of each division director, subject to Department-level guidelines.

Other means of recognizing and rewarding employees for exemplary performance shall be available at the discretion of each division director. Recognition and awards shall be cost neutral and shall not shift the burden of work to others.

5. Dispute Resolution Process (DRP)

During 1999-2000, the Department's core CPP team developed principles and procedures to resolve disputes that arise over performance reviews. These principles and procedures are described in detail in Exhibit 5 and include:

- definition of terms
- matters that can be resolved via the DRP process
- matters that cannot be resolved via the DRP process
- other types of actions that are reviewable outside of P4P
- procedures and timelines

The dispute resolution process described in Exhibit 5 has been updated to conform to DPA guidelines for P4P. **All changes required by DPA in 2001 and 2002 have been incorporated.**

6. Training and Communication

During 1998-2001, the Department devoted more than 3500 man-hours in designing the structure, policies, and key operational details of CPP; communicating this information in writing and in face-to-face training sessions with Department employees; and doing performance planning and evaluating employees under the CPP framework. In calendar year 2002 an estimated 1200 hours were spent in personnel planning and evaluation, payout calculations, training, education, and plan review and modifications. Exhibit 2 gives details.

During this evaluation year, supervisors are receiving training on-line regarding the Department's plan, with special emphasis upon recent revisions.

Looking ahead, we anticipate:

- maintaining the Department's full P4P on our employee-accessible website
- updating and maintaining a 3-4 summary of P4P plan highlights; see Exhibit 6
- updates about P4P in The Roundup if and when changes are pending
- continued training sessions for supervisors at least annually
- face-to-face training and information sessions for all employees in each division, as warranted by further significant changes in P4P rules and Department plans
- feedback from employees in 2003 and occasionally thereafter regarding P4P.

7. Plan Management, Review, Modification, and Annual Report

As noted earlier, a Department team thoroughly reviewed the Department's plan and its implementation in the fall of 2002, following the first actual payouts based upon P4P performance. Only minor changes have been made to the Department's previous plan, unless required by state rules. We anticipate that additional adjustments will be made from time to time, throughout the life of P4P.

The Department's core P4P team will continue to monitor and manage the plan annually, with oversight by senior management and the Deputy Commissioner.

The annual report will contain tools to track and report performance and award information; total dollars appropriated for performance awards for the prior fiscal year; total amount of those appropriated dollars awarded to employees for performance awards; and total amount of dollars awarded for each performance category.

Exhibit 1

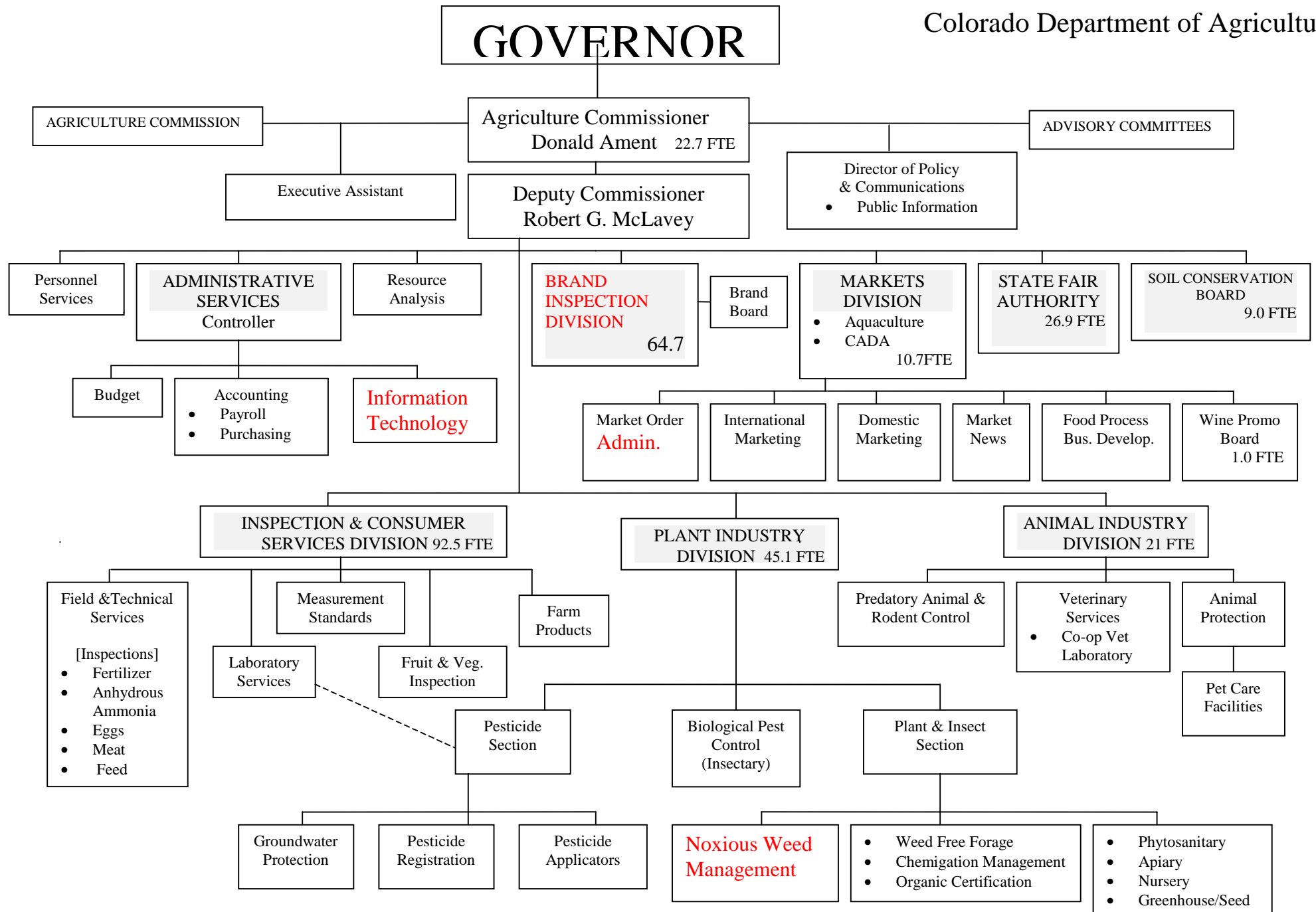


Exhibit 2

**COLORADO DEPARTMENT OF AGRICULTURE
COLORADO PEAK PERFORMANCE (CPP),
PERFORMANCE PAY SYSTEM (PPS), AND
PAY FOR PERFORMANCE (P4P) SYSTEM KEY ACTIVITIES**

Exhibit 2
02/11/2003

DATE	NO. OF HOURS	ACTIVITY
COLORADO PEAK PERFORMANCE (CPP)		
02/19/1998	60	CPP overview by John Nobil for senior staff: 20 @ 3 hrs
02/27/1998	60	CPP Steering Committee mtg--draft workplan: 20 @ 3 hrs
03/06/1998	60	CPP Steering Committee mtg--allocation principles: 20 @ 3 hrs
03/09/1998	60	CPP Steering Committee mtg--allocation principles: 20 @ 3 hrs
04/20/1998	60	CPP Steering Committee mtg--allocation procedures: 20 @ 3 hrs
05/01/1998	20	Prepare & distribute 4 pg CDA CPP plan outline to employees
05/08/1998	60	CPP Steering Committee mtg--Pat Romero update: 20 @ 3 hrs
06/19/1998	60	CPP Steering Committee mtg--allocation procedures: 20 @ 3 hrs
08/06/1998	60	CPP Steering Committee mtg--evaluation principles: 20 @ 3 hrs
10/08/1998	80	I&CS Division meeting--CDA CPP plan overview: 40 @ 2 hrs
10/28/1998	60	Overview on measures by John Nobil for senior staff: 20 @ 3 hrs
Nov 1998	90	3 informal brown bag sessions--CPP/CDA overview: 20 @ 1.5 hrs/mtg
	360	CPP training on goals & measures by John Nobil for senior staff & supervisors: 60 @ 6 hrs
12/03/1998		
01/20/1999	45	Admin Asst/Pgm Asst mtg on measures with Ken Doby: 15 @ 3 hrs
02/04/1999	60	Admin Asst/Pgm Asst mtg: CDA teams develop measures:20 @ 3 hrs
02/18/1999	60	Admin Asst/Pgm Asst mtg: CDA teams refine measures:20 @ 3 hrs
Feb-Mar 1999	60	CDA staff develops 8-page performance agreement form
02/23/1999	90	Brand Division mtg with CDA team on measures, CDA form: 30 @ 3 hrs
03/01/1999	60	Admin Asst/Pgm Asst mtg: CDA teams refine measures:20 @ 3 hrs
03/02/1999	90	Brand Division mtg with CDA team on measures, CDA form: 30 @ 3 hrs
03/09/1999	10	Planning mtg with Ken Doby and CDA CPP team: 5 @ 2 hrs
03/10/1999	120	Admin Asst/Pgm Asst mtg w/Ken Doby on measures, CDA form: 40 @ 3 hrs
03/19/1999	60	General Professional mtg w/Ken Doby on measures, CDA form: 20 @ 3 hrs
04/01/1999	NA	MOST CDA EMPLOYEES HAVE NEW PERFORMANCE AGREEMENTS IN PLACE
05/03/1999	120	I&CS Division mtg w/Ken Doby on measures, CDA forms: 40 @ 3 hrs
08/24/1999	6	Prepare and present Department's CPP Plan to Champions
Oct 1999	8	Prepare, distribute, compile status of performance agreements across Dept.
Oct-Nov 1999	45	Prepare and review Department's Preliminary Implementation Plan for CPP
	240	Employee & supervisor training w/Ken Doby on measures, coaching, grievances, etc. at Main Site & I&CS Division: 20 @ 2 hrs x 6 groups
Dec 1999		
01/31/2000	NA	Performance Agreement evaluations completed (4/1-12/31/99)
Jan-Feb 2000	120	Prepare and review Department's Final Implementation Plan for CPP
	120	Employee & supervisor training w/Ken Doby on measures, coaching, grievances, etc. at Brand Division: 30 @ 2 hrs x 2 groups
Feb 2000		
	530	Performance agreement plan and forms completed by employees and supervisors (estimated 2 hours per employee)
Jan-Mar 2000		Performance period begins for real payouts in FY02; all performance agreements in place
4/1/2000		
	2404	TOTAL HOURS FOR CPP DEVELOPMENT, IMPLEMENTATION & TRAINING

PERFORMANCE PAY SYSTEM (PPS)

Aug-Oct 2000	80	Review of new requirements and guidelines for implementing PPS by core team
Nov-Jan 2001	120	Prepare, review, and revise Department's implementation plan for PPS by core team
4/1-4/30/01	600	Performance evaluation for previous 12 months; revise agreements as appropriate (2 hours/employee)
04/01/2001		Performance period begins for real payouts in FY03
Aug-Sep 2001	220	Performance management training of supervisors (4 hours/supervisor, division assts)
Sep-Oct 2001	150	Develop, refine and test allocation software; run mock scenarios
Oct-01	20	Informal lunch sessions with interested employees on mock payout results
1190		TOTAL HOURS FOR PPS MODIFICATIONS, IMPLEMENTATION & TRAINING

PAY FOR PERFORMANCE (P4P) SYSTEM

Jan-Apr 02	240	Refine mock allocation & payout spreadsheets and write software to generate reports.
03/31/2002		Performance period ends for real payouts in FY03
04/01/2002		Performance period begins for real payouts in FY04
4/1-4/30/02	600	Performance evaluation for previous 12 months; revise agreements as appropriate (2 hours/employee)
Apr-May 02	80	Run preliminary allocation results and distribute; re-run for necessary adjustments
May-Jun 02	48	Final allocations made, including allowances for one-time annualization effects
July 2002	20	P4P Payouts prepared for July 31 payroll
Oct 2002	24	Statewide P4P forum conducted by DPA, attended by 3 core group members
Sep-Dec 02	200	Gather employee feedback on plan and first allocation; core team met 3 times to review entire plan and develop recommendations, approved by senior management.
Jan 03	40	Plan revised and submitted to DPA
1252		TOTAL HOURS FOR P4P MODIFICATIONS, IMPLEMENTATION & TRAINING

ANTICIPATED FUTURE SCHEDULE (PRELIMINARY)

Feb-Apr 03	40	Refine allocation & payout spreadsheets and write software to generate reports.
Jan-Feb 03	40	Supervisors do self-directed training, using on-line testing and materials. (40 supervisors @ 1 hour)
03/31/2003		Performance period ends for real payouts in FY03
04/01/2003		Performance period begins for real payouts in FY04
4/1-4/30/03	600	Performance evaluation for previous 12 months; revise agreements as appropriate (2 hours/employee)
Apr-May 03	80	Run preliminary allocation results and distribute; re-run for necessary adjustments
May-Jun 03	48	Final allocations made; need final Department allocation from Long Bill
July 2003	20	P4P payouts prepared for July 31 payroll
Sep-Dec 03	200	Gather employee feedback on plan and first allocation; core team meet to review entire plan and develop recommendations for senior management.
1028		TOTAL HOURS FOR P4P MODIFICATIONS, IMPLEMENTATION & TRAINING

Exhibit 3

Colorado Department of Agriculture Performance Agreement

LINKING THE DEPARTMENT'S MISSION TO INDIVIDUAL AND TEAM PERFORMANCE

February 2003

I. IDENTIFICATION APPRAISAL PERIOD FROM _____ TO _____ TYPE OF APPRAISAL ☐ Annual ☐ Interim

Employee's Name _____ Soc. Sec. No. _____ Position No. _____

Working Title _____ Class Code _____ State Class Title GENERAL PROFESSIONAL

Division _____ Section/Org Unit Name _____ Org Unit No. _____

II. PLANNING SECTION

☐ The employee and direct supervisor have reviewed organizational unit goals and performance measures.

☐ We have worked together to develop this performance evaluation plan for this appraisal period.

I, _____, () agree () disagree* with this performance & evaluation plan. _____
Employee's signature Date

I, _____, () agree () disagree* with this performance & evaluation plan. _____
Direct Supervisor's signature Date

I, _____, () agree () disagree* with this performance & evaluation plan. _____
Second-level Reviewer's signature Date

PROGRESS (1st) _____ (2nd) _____ (3rd) _____
REVIEWS Direct Sup. Employee Date Direct Sup. Employee Date Direct Sup. Employee Date

* Please explain disagreement with the plan in the narrative section and initial (Section X, page 6).

III. PERFORMANCE APPRAISAL SECTION

The Deputy Commissioner is the department's decision-maker in the internal dispute resolution process. At the request of the employee and/or the discretion of the Deputy Commissioner, the dispute may be referred to a neutral third party review panel for review.

☐ The employee has met the Department's minimum professional standards and elements for this appraisal period.

THE OVERALL PERFORMANCE RATING FOR THIS EMPLOYEE FOR THIS APPRAISAL PERIOD IS: _____ points

☐ Needs Improvement # (100-200 points) ☐ Satisfactory (201-250 points)

☐ Above Standard (251-350 points) ☐ Outstanding^ (351-400 points)

Below Pay Range Maximum Employees are eligible for cash payments from P4P funds with scores of 201 or above.

I, _____, () agree () disagree* with this performance evaluation. _____
Employee's signature Date

I, _____, () agree () disagree* with this performance evaluation. _____
Direct Supervisor's signature Date

I, _____, () agree () disagree* with this performance evaluation. _____
Second-level Reviewer's signature Date

Please attach a written narrative explanation of this Needs Improvement rating, and either of the following: (a) a formal performance improvement plan, or (b) a corrective action.

^ The rating of 'Outstanding' is unique and difficult to achieve because it represents consistently exceptional performance or achievement beyond the regular assignment and requires additional documentation for validation.

• Please explain disagreement with the evaluation in the narrative section and initial (Section X, page 6).

☐ Check here if you would like a copy of the department's internal dispute resolution process.

IV. MISSION STATEMENTS, GOALS AND KEY MEASURES

Planning: Please review the mission statement of the Department (stated below) and the mission, goals, and key measures of the employee's division and section or unit. Also review the division's strategic plan, if it has one. You may wish to attach a copy of this information as part of the performance plan.

Department Mission Statement: To strengthen agriculture's future; provide consumer protection; promote environmental quality and animal health; and ensure equity and integrity in business and government.

V. UNIFORM STATEWIDE CORE COMPETENCIES

It is expected that each CDA employee will comply with the core competencies listed below—regardless of his or her specific job duties. Each employee is to be evaluated for each standard on a pass/fail basis. No “point value” is given for this portion of the evaluation. However, any employee that does not pass all of these standards will not be eligible for any performance awards, regardless of the points received on the remainder of this evaluation. The supervisor also has the option of developing a specific Core Competency for the employee if needed. Planning: Review standards and elements. Evaluation: Indicate pass/fail for each standard in the box provided. If employee passes all standards, check box in Section III. **Otherwise, the supervisor must attach a written narrative explanation if the employee fails any standard.**

STATEWIDE CORE COMPETENCIES AND ELEMENTS FOR ALL DEPARTMENT EMPLOYEES (PASS/FAIL)	
<p><u>JOB KNOWLEDGE – Possesses knowledge of and complies with established policies and procedures.</u></p> <ul style="list-style-type: none">• Keeps informed of practices, rules and regulations applicable to the job.• Maintains currency on level of professional/technical knowledge.• Asks questions to clarify policies and procedures when needed.• Completes assignments accurately and in a timely and efficient manner. <p><input type="checkbox"/> PASS <input type="checkbox"/> FAIL</p>	<p><u>CUSTOMER SERVICE - Conveys a positive and professional image of the Department to others.</u></p> <ul style="list-style-type: none">• Identifies and shows positive attitude toward all customers (internal and external).• Follows through on commitments in a timely manner.• Does not engage in negative or derogatory conversation about other Department employees. <p><input type="checkbox"/> PASS <input type="checkbox"/> FAIL</p>
<p><u>INTERPERSONAL SKILLS – Maintains smooth working relationships, support and respect for others.</u></p> <ul style="list-style-type: none">• Works harmoniously and effectively with others.• Handles conflict constructively.• Is polite, courteous and respects the opinions of others.• Considers the impacts of decisions on others.• Values and promotes diversity.• Does not participate in discriminatory behavior. <p><input type="checkbox"/> PASS <input type="checkbox"/> FAIL</p>	<p><u>COMMUNICATION - Communicates to provide or exchange information; keeps others informed.</u></p> <ul style="list-style-type: none">• Expresses ideas and information clearly and effectively through the appropriate medium.• Shares information with those who need to know.• Recognizes what information needs to be shared and with whom.• Listen and respond appropriately to others. <p><input type="checkbox"/> PASS <input type="checkbox"/> FAIL</p>
<p><u>ACCOUNTABILITY – Demonstrates responsible personal and professional conduct contributing to goals and objectives</u></p> <ul style="list-style-type: none">• Takes personal responsibility for complying with policies and procedures.• Takes personal responsibility for words and actions.• As a manager or supervisor, has completed performance evaluations correctly and within the time required.• Displays a high degree of honesty and integrity. <p><input type="checkbox"/> PASS <input type="checkbox"/> FAIL</p>	<p><u>Employee-specific Core Competency (optional)</u></p> <p><input type="checkbox"/> PASS <input type="checkbox"/> FAIL</p>

VI. JOB CLASS PERFORMANCE FACTORS FOR GENERAL PROFESSIONALS

Planning: Determine the importance, or weight, of each factor below. Factor weights must total 100. **Evaluation:** For each factor, review the elements listed and use the qualitative measures in the Rating Level Characteristics Chart (page 7) to give the employee a single rating for that factor—Needs Improvement (1), Satisfactory (2), Above Standard (3) or Outstanding (4). Decimals are permitted to evaluate performance more precisely. For each factor, multiply the Factor Weight times the Factor Rating to calculate Factor Points. Add up the Factor Points and list the total in line 1 of Section IX (page 6).

FACTORS and Elements	Factor Weights	Factor Ratings				Factor Points
		NI =1	SA =2	AS =3	OS =4	
MANAGEMENT <ul style="list-style-type: none"> Maintained quality and quantity service standards Met schedules and deadlines, developed methods and procedures for employees to complete work. 						
OCCUPATIONAL/PROFESSIONAL COMPETENCE <ul style="list-style-type: none"> Exhibited professional technical knowledge Stayed current with changes, updates and industry changes Applied professional/technical standards to the job 						
PROBLEM ANALYSIS AND DECISION MAKING <ul style="list-style-type: none"> Addressed and/or resolved day-to-day problems Took responsibility for and made decisions within assigned authority Obtained facts before making a decision Sought input from others when making decisions Assured decisions were made at, or referred to, appropriate level. 						
PLANNING, ORGANIZING AND COORDINATING <ul style="list-style-type: none"> Developed objectives, plans and procedures Controlled project time, personnel and the design of projects. Set priorities, schedules and deadlines to avert crisis. Maintained records, forms and/or documents. Prepared project cost estimates and justified budget requirements. 						
ORGANIZATIONAL COMMITMENT AND ADAPTABILITY <ul style="list-style-type: none"> Conveyed a positive and professional image of the agency to others. Put forth extra effort when the need arose and agreed to schedule changes. Participated in the decision-making process in area of responsibility, and modified or adapted plans and programs as needed. 						
COMMUNICATIONS <ul style="list-style-type: none"> Spoke and responded effectively and courteously. Kept others informed; sought and considered their ideas on issues affecting them. Prepared written documents which were complete, clear and understandable. Communicated orally in a well-organized and effective manner. Communicated to provide or exchange information as needed. 						
INTERPERSONAL RELATIONS <ul style="list-style-type: none"> Maintained smooth working relationships, support and respect for others. Demonstrated tact and diplomacy in negotiations or confrontations with others. Maintained sensitivity to the feelings and efforts of others. Contributed to maintaining the level of employee morale and motivation. Recognized work well done by others. Gained cooperation from others when necessary. Was accessible to others and responsive to their questions, needs, concerns. 						
Enter the total number of factor points in line 1 of Section IX (page 6).	weights must add to 100	total of all factor points must lie between 100 and 400 → →				

VII. INDIVIDUAL PERFORMANCE FACTORS

This section includes performance and evaluation factors that are specific to the employee's position. These factors may include individual performance objectives (IPOs), factors particularly related to peak performance, and other factors related to key functions or responsibilities of the position. **Planning:** As in Part VI, weight the importance of each factor below; weights must total 100. Each factor must contain one or more measures for evaluation. **Evaluation:** For each factor, review the elements listed and use the measures to give the employee a single rating—Needs Improvement (1), Satisfactory (2), Above Standard (3) or Outstanding (4). Decimals are permitted to evaluate performance more precisely. For each factor, multiply the Factor Weight times the Factor Rating to calculate Factor Points. Add up the Factor Points and list the total in line 2 of Section IX (page 6).

FACTORS, Elements, and Key Measures	Factor Weights	NI =1	SA =2	AS =3	OS = 4	Factor Points
SUPERVISION (IF APPLICABLE) <ul style="list-style-type: none"> resolved routine personnel issues or problems Adhered to agency affirmative action principles and policies Developed goals, objectives, and deadlines and communicated them to employees Utilized employee skills and abilities Key Measure(s): USE THE RATING LEVEL CHARACTERISTICS CHART						
FACTOR: _____ Elements: <ul style="list-style-type: none"> Key Measure(s) <ul style="list-style-type: none"> 						
FACTOR: _____ Elements: <ul style="list-style-type: none"> Key Measure(s) <ul style="list-style-type: none"> 						
FACTOR: _____ Elements: <ul style="list-style-type: none"> Key Measure(s) <ul style="list-style-type: none"> 						
FACTOR: _____ Elements: <ul style="list-style-type: none"> Key Measure(s) <ul style="list-style-type: none"> 						
FACTOR: _____ Elements: <ul style="list-style-type: none"> Key Measure(s) <ul style="list-style-type: none"> 						
FACTOR: _____ Elements: <ul style="list-style-type: none"> Key Measure(s) <ul style="list-style-type: none"> 						
Enter the total number of factor points in line 2 of Section IX (page 6).	weights must add to 100	total of all factor points must lie between 100 and 400 → →				

VIII. TEAM OR ORGANIZATIONAL UNIT PERFORMANCE FACTORS (OPTIONAL)

Complete this section if the employee and supervisor agree that a portion of the employee's performance evaluation can be linked meaningfully to the performance of the organizational unit (or other teams) to which the employee belongs. **Planning:** As in Parts VI and VII, weight the importance of each factor below in evaluating this employee; weights must total 100. Each factor must contain one or more team or unit measures for evaluation. **Evaluation:** For each factor, review the elements listed and use the measures to give the employee a single rating—Needs Improvement (1), Satisfactory (2), Above Standard (3) or Outstanding (4). Decimals are permitted to evaluate performance more precisely. For each factor, multiply the Factor Weight times the Factor Rating to calculate Factor Points. Add up the Factor Points and list the total in line 3 of Section IX (page 6).

FACTORS, Elements, and Key Measures	Factor Weights	Factor Ratings				Factor Points
		NI =1	SA =2	AS =3	OS =4	
NAME OF TEAM OR ORGANIZATIONAL UNIT (LIST TEAM/UNIT MEMBERS)						
FACTOR: _____ Elements: • • Key Measure(s) • •						
NAME OF TEAM OR ORGANIZATIONAL UNIT (LIST TEAM/UNIT MEMBERS)						
FACTOR: _____ Elements: • • Key Measure(s) • •						
NAME OF TEAM OR ORGANIZATIONAL UNIT (LIST TEAM/UNIT MEMBERS)						
FACTOR: _____ Elements: • • Key Measure(s) • •						
NAME OF TEAM OR ORGANIZATIONAL UNIT (LIST TEAM/UNIT MEMBERS)						
FACTOR: _____ Elements: • • Key Measure(s) • •						
NAME OF TEAM OR ORGANIZATIONAL UNIT (LIST TEAM/UNIT MEMBERS)						
FACTOR: _____ Elements: • • Key Measure(s) • •						
<i>Enter the total number of factor points in line 3 of Section IX (page 6).</i>	weights must add to 100	total of all factor points must lie between 100 and 400 → →				

IX. PERFORMANCE EVALUATION SUMMARY

Planning: Weight the importance of each category of job performance for this individual employee. Use percents for weights; weights must total 100%. The Job Class Performance Category must have a weight between 25% and 75%. **Evaluation:** Copy the total factor points for each category in sections VI, VII, and VIII and enter them in the CATEGORY POINTS column below. Then multiply entries in each line: CATEGORY WEIGHT X CATEGORY POINTS = CATEGORY SCORE. Finally, add the CATEGORY SCORES to obtain the employee's OVERALL PERFORMANCE RATING. This rating should be between 100 and 400 points; list it on page 1.

CATEGORIES	SECTION OF THIS PLAN	CATEGORY WEIGHTS	CATEGORY POINTS (total factor points)	CATEGORY SCORES (weights x points)
1. Job Class Performance	section VI	% *		
2. Individual Performance	section VII	%		
3. Team/Unit Performance	section VIII	% **		
* must be between 25% and 75% ** may be 0% (this category is optional)		must total 100%	OVERALL PERFORMANCE RATING # → →	

If the employee's Overall Performance Rating is 100-200 (Needs Improvement), the supervisor must attach a written narrative explanation of the rating and document prior notification to the employee of substandard performance, and either of the following: (a) a formal performance improvement plan, or (b) a corrective action.

X. NARRATIVE SECTION (ATTACH ADDITIONAL SHEETS AS NECESSARY)

1. Disagreement with the <u>plan</u> ? Please explain and initial.	
2. Disagreement with the <u>evaluation</u> ? Please explain and initial.	
3. List employee strengths	4. List areas for development
5. Describe career planning	6. Describe training plans

RATING LEVEL CHARACTERISTICS CHART

SUGGESTED QUALITATIVE MEASURES FOR EVALUATING JOB CLASS PERFORMANCE FACTORS **

Needs Improvement

Above Standard

Outstanding

Fails to meet the minimum expectations for the job.

Fulfills the requirements of the job; works in a competent and diligent manner to achieve the goal. Performance can be described as basic and acceptable at one end of the spectrum to fully engaged and skillful at the other end of the spectrum.

A truly exceptional performer whose actual performance consistently exceeds expectations. The employee will “stretch” to achieve new heights and competencies beyond the expected level of performance.

Characteristics may include:
minimum analysis; avoids risks; not engaged; impeded; late; or over budget.

Characteristics may include:
consistent; reliable; thorough; responsible; willing; and competent.

Characteristics may include:
creativity; a leader; a risk taker. This employee may be considered a “role model” by others or recognized by peers for consistently high performance, exceptional talent, or focus on the future.

CHARACTERISTIC (MEASUREMENT STANDARD)

Needs Improvement

Above Standard

Outstanding

TIMELINESS	Late	On time	Ahead of schedule
QUALITY	<ul style="list-style-type: none">- Failed or below expectations- No analysis or minimum analysis- “Rubber stamped”- Focus on the past, a “copy job”	<ul style="list-style-type: none">- Meet expectations- Add analysis- Due diligence- Focus on present, the here and now	<ul style="list-style-type: none">- Beyond expectations- Add value- Process improvement- Focus on the future, a vision and strategic direction
QUANTITY	Incomplete objective and “over or under” performance target	Complete objective and “on” performance target	Complete objective and “under or over” performance target
LEADERSHIP	Impeded	Followed	Lead
INNOVATION	Neglected	Maintained	Substantially improved
CREATIVITY	Copied	Modeled	Created
ENGAGEMENT	Minimally engaged	Engaged	Engaged with partners
PARTICIPATION	Minimal contribution	Contributed	Initiative
RISK	Avoid risks	Identify risks	Takes appropriate risks
CUSTOMER SERVICE	Minimally committed	Committed	Create positive customer perceptions
KNOWLEDGE	Lower than required to perform job tasks	Maintains sufficient knowledge, applies appropriately	Shares and expands knowledge, mentors others

**** A rating of 'Satisfactory' may be given for any Characteristic above, if the individual meets the 'Above Standard' standard frequently, but not consistently.**

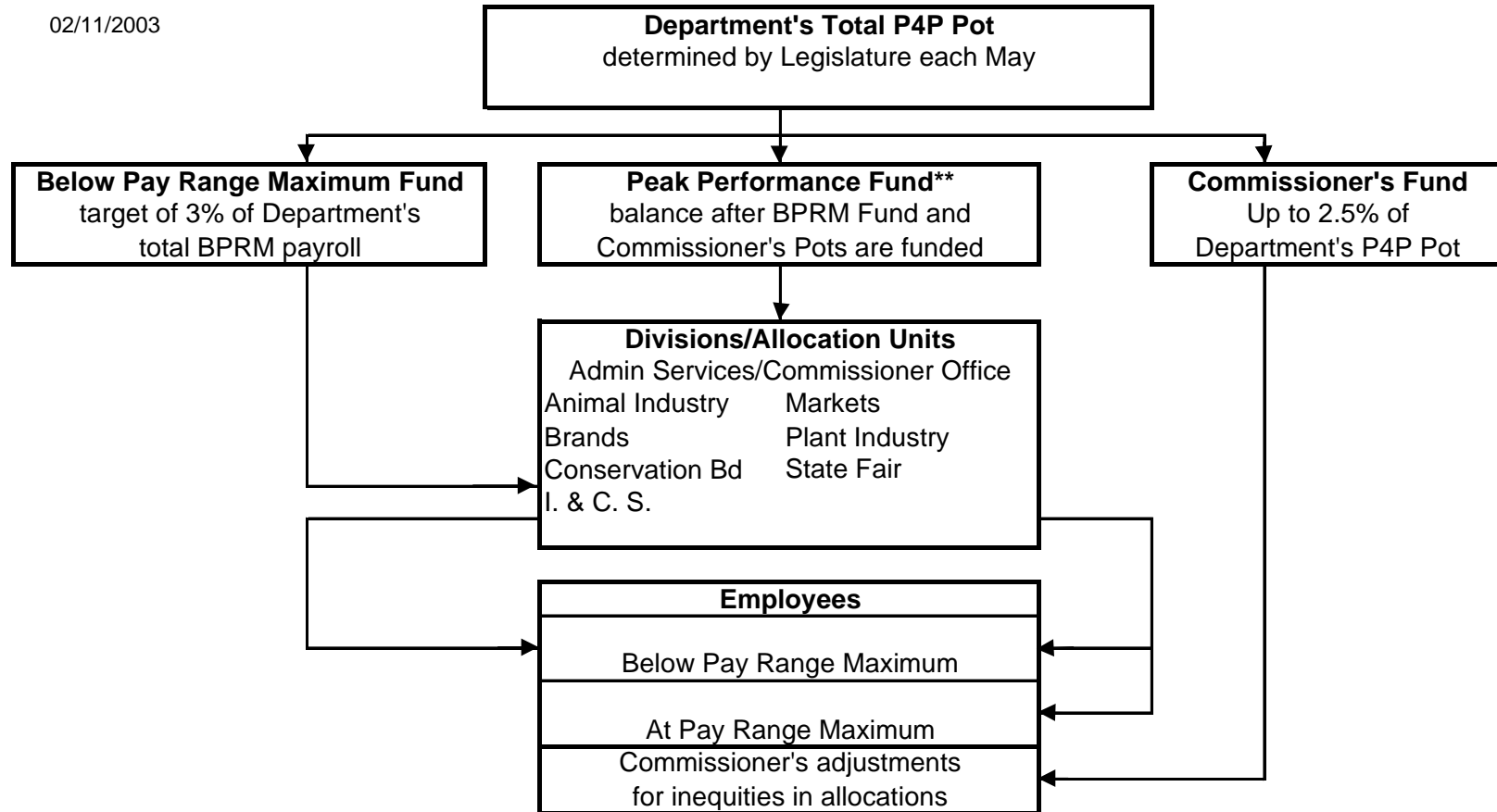
Exhibit 4

Colorado Department of Agriculture Pay for Performance (P4P) System Department Allocation of P4P Funding to Pots

Exhibit 4a (Sheet 1)

Go to Exhibit 4b (sheet 2) for Department Allocation of P4P Funding to Individuals

02/11/2003



** Peak Performance Fund must be at least 25 percent of the Department's total P4P funding.

If the Department's P4P allocation is insufficient to meet the 3 percent BPRM fund target and the 25 percent PP fund target, then all three funds will be scaled back proportionately.

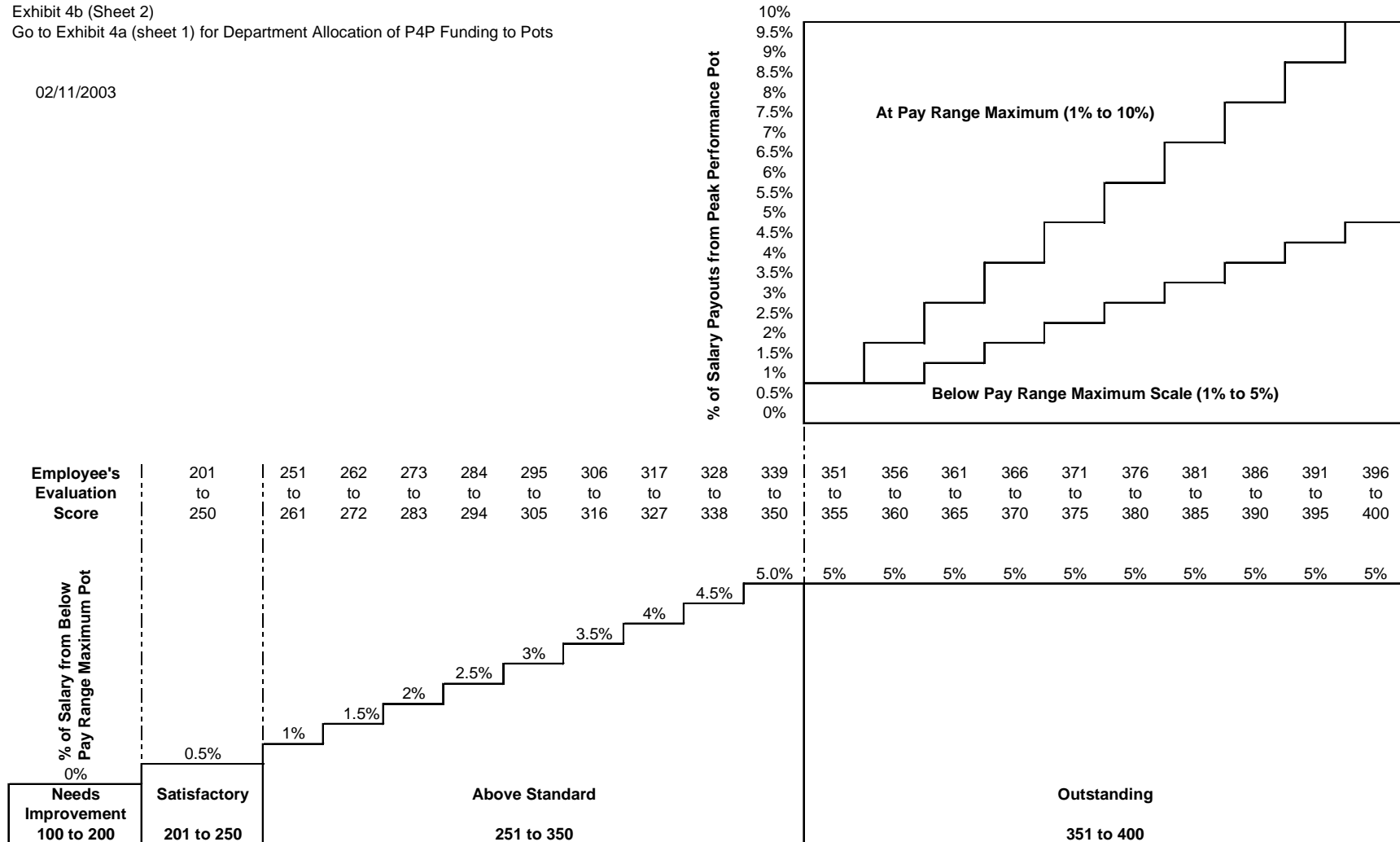
Within these Departmentwide targets for BPRM and Peak Performance funding, two such funds are created for each allocation unit. Dollars committed to each allocation unit's funds are based solely upon the allocation unit's salary profile and the total amount of P4P received by the Department. In particular, the dollar commitment to these funds is not affected or influenced by the evaluation scores of the employees within the unit.

Colorado Department of Agriculture Pay for Performance (P4P) System Pay Scale Overview and Detail

Exhibit 4b (Sheet 2)

Go to Exhibit 4a (sheet 1) for Department Allocation of P4P Funding to Pots

02/11/2003



NOTE: The percentages of salary shown in this diagram are used to generate PRELIMINARY dollar payouts for each employee in each allocation unit who is eligible for a payout from the allocation unit's BPRM fund or its Peak Performance Fund (or both). Actual payouts for everyone in the allocation unit are then adjusted proportionately to match the money allocated to these two funds by the Department. (Such allocations are made solely based on the allocation unit's salary structure and the Department's overall P4P allocation, and are not affected or influenced by the range of evaluation scores in the unit.

Exhibit 5

DEPARTMENT OF AGRICULTURE Dispute Resolution Process (DRP)

Mission Statement

To establish guiding principles and recommendations for a Colorado Department of Agriculture (CDA) dispute resolution process for employees and their supervisors that is fair, consistent, understandable, and timely under the Performance Pay System (PPS) as set forth in State Personnel Board Rules and Director's Administrative Procedures, Chapter 8.

I. Definition of Terms

- A. "Employee" is the person requesting the DRP review.
- B. "Responding party" is the person responding to the employee. In cases regarding the application of the department's performance pay program/policies/processes, or in cases regarding the full payment of the award (as so noted in Section II, C and D, below), the responding party may not necessarily be a supervisor.
- C. "Supervisor" is the person who evaluates the employee or determines the Pay for Performance (P4P) rating and/or award. "Reviewer" is the division director who is the second-level reviewer of the employee's evaluation or the Deputy Commissioner.
- D. "Appointing Authority" is the Deputy Commissioner who is the decision-maker for CDA's dispute resolution process. At the discretion of the appointing authority a neutral third party review committee (committee) may be selected to review the dispute. The appointing authority or the committee may serve as process facilitator (mediator), fact-finder and limited decision-maker (quasi-arbitrator), or both during the course of a review. Neither the appointing authority nor the committee will review cases of alleged discrimination.
- E. "Neutral" means that the third party review committee has no personal stake in the outcome of the review; is not signatory to the performance plan or evaluation; and has no knowledge of or relationship with either of the parties that would lead a reasonable person to conclude that the review committee would either be biased or lack objectivity.
- F. "Advisor" is a person who may assist the employee or supervisor in developing his/her position and accompany the employee or supervisor to the DRP meeting. During the meeting, an advisor may confer with a party, but should not speak for the party.

II. Matters That Can Be Reviewed Via the DRP

Authority: State Personnel Rules and Procedures, Chapter 8, P-8-14

Matters resulting from performance management and evaluation for employees under the P4P are subject to this dispute resolution process. A copy of this DRP including timelines and name of appointing authority shall be **made available** to employees annually at the time of their evaluation.

- A. **The individual performance plan, including lack of a plan during the planning cycle.
- B. **The individual final overall performance evaluation, including lack of a final overall evaluation.
- C. The application of a department's performance pay program to the individual employee's plan and/or final overall evaluation.
- D. Full payment of the award.

Note: Employees "...may, after internal review, request a review by the State Personnel Director for matters relating to application of the agency's plan or full payment of an award. The request must be made within five working days of the agency's final decision and must include a copy of the original issues and final agency decision." ("Colorado Peak Performance," *Stateline*, June 1998, p. 3). See Attachment C.

**Final resolution of these issues shall occur at the internal level. Employees have no further recourse for resolution of these disputes.

III. Matters That Cannot Be Reviewed Via the DRP Process

Authority: State Personnel Rules and Procedures, Chapter 8, P-8-15.

- A. The content of a department's performance pay program.
- B. Matters related to the funds appropriated.
- C. The performance evaluations and awards of other employees.
- D. The amount of a performance award, including whether it is base or non-base building, any combination or none, unless the issue involves the application of the department's performance pay program.

IV. Other Types of Actions That Are Reviewable Outside of P4P

- A. Civil Rights (discrimination) cases
- B. Whistle blower retaliation cases
- C. Other matters deemed by State Personnel Rules and Procedures to be grievable or appealable (see Note, Section II above).

V. Informal Review Process

Disputes should be resolved at the lowest possible level before initiating a formal review process. If the dispute cannot be resolved between the employee and the supervisor, the employee has several actions available. Some examples of informal actions are:

- employee may mark “disagree” on the Performance Agreement form and attach a narrative illustrating reasons for the disagreement, including extenuating circumstances
- the employee may mark “disagree” on the Performance Agreement form and request a meeting with the reviewer, to explain why s/he disagrees, and to request reconsideration of the rating

VI. Formal Internal DRP Procedures and Time Lines (see Attachment A)

- A. The Deputy Commissioner of Agriculture is the appointing authority (decision-maker) in the internal DRP. At the request of the employee and/or at the discretion of the Deputy Commissioner, a neutral third party review committee may be selected to review the dispute.
- B. Selection of a neutral third party review committee.
 - 1. Five standing members and three alternates will be randomly selected annually from a list of employees nominated for membership. The names of the five standing members and three alternates will be randomly drawn from the list of nominated employees.
 - 2. The chair will be selected by the committee members.
 - 3. Training will be provided to committee members.
- C. Filing Notice of Intent to Dispute (see Attachment B). Only issues summarized in the Notice of Intent to Dispute shall be considered throughout the review process.
 - 1. **The individual performance plan, including lack of a plan during the planning cycle.** Notice of Intent to Dispute must be filed within 5 working days from the date the plan is put in place, or within 5 working days from the date the plan should have been in place (if lack of a plan is the basis for the request).
 - 2. **The individual final overall performance evaluation or lack of final overall evaluation.** Notice of Intent to Dispute must be filed within 5 working days from the date the final evaluation is presented to the employee for his/her signature, or within 5 working days from the date the final evaluation should have been completed (if lack of performance evaluation is the basis for the request).
 - 3. **The application of a department’s performance pay program to the individual employee’s plan and/or final overall evaluation.** Notice of Intent to Dispute must be filed within 5 working days after the agency’s announced distribution date.

4. **Full payment of the award.** Notice of Intent to Dispute must be filed within 5 working days after the final agreed upon distribution date.

D. Documentation of Dispute

Only the issue(s) as originally presented in writing shall be considered throughout the DRP. After the Notice of Intent to Dispute has been filed; the following deadlines apply:

1. The employee must file detailed documentation of the dispute within 5 working days of the date of filing the Notice of Intent to Dispute with the division director or designee, copy to supervisor and human resources office within the department. If the employee fails to timely file this documentation, the dispute shall be considered as abandoned and the case will be closed. The human resources office will send notice of the case closure to the employee and all other persons noticed originally in the Notice of Intent to Dispute. The employee will have 3 working days from the date of the closure notice to make a written request that the case be re-opened. The human resources office will only re-open a case upon good cause shown by the employee.
2. The supervisor may file a response to the employee's detailed documentation of the dispute within 5 working days of receipt of same. A copy of the supervisor's response will be sent to the employee, the division director or designee, and the human resources office within the department. If the supervisor decides not to file a response, s/he will send written notification to the employee, the division director, and the human resources office within the department indicating that there will be no response. The supervisor may not introduce such responsive documentation after the stated deadline unless allowed to do so by the reviewer for good cause shown by the supervisor.

E. Meeting Timeframes

1. The Deputy Commissioner or third party review committee shall issue a notice of meeting within 3 days after the supervisor's response is received or was due.
2. The DRP meeting shall be held within 10 working days of the notice of meeting.

F. Meeting Format

The meeting is intended to take no longer than 2 hours. The dispute resolution process will be open and impartial and will allow all parties an opportunity to have their issues heard.

1. The first portion of the meeting will involve clarification of the facts in dispute.
2. The next portion of the meeting will offer an opportunity for the employee and supervisor to reach a mutually agreeable resolution. If the resolution is declined by either party or the review committee deems it impractical (i.e., an impasse is reached), the meeting moves directly into the final portion. No party has an absolute right to legal representation, but may have an advisor present. However, the parties are expected to represent and speak for themselves.
3. The final portion of the meeting involves more detailed fact-finding by the Deputy Commissioner or the review committee. If an agreement has been reached, the Deputy Commissioner or the review committee will have the employee and supervisor initial the written notes detailing the agreement and a written report shall be forthcoming. If no agreement is reached, the meeting is adjourned and the Deputy Commissioner's or the review committee's decision will be forthcoming.

G. Written Decision/Report

1. The Deputy Commissioner or the committee shall issue a written decision within 7 working days of the meeting.
 - a. The written decision/report should be brief, concise and should minimally contain a summary of the dispute, what was reviewed, and (if applicable) the agreement reached. If no agreement is reached, the written report will make a finding of fact as to the process review and recommendations, if any.
 - b. The Deputy Commissioner or the committee is limited to finding facts as to whether the process was applied correctly, but shall not substitute his/its judgment for that of the rater or reviewer. The appointing authority will have the ability to "instruct the rater to follow the agency's own plan or process, to correct an error, to reconsider a rating or plan, or to suggest other resolution processes such as mediation". The determination made by the appointing authority is in addition to the supervisor's judgment, not in substitution of it. However, the appointing authority's determination cannot be altered by anyone other than the appointing authority.
 - c. The decision-maker in the dispute resolution process cannot render a decision that would alter the department's performance pay program.

H. If the Parties Reach Resolution

The resolution reached between the employee and the supervisor, in respect to the process at issue, *may* include recommendations, which themselves are within the appointing authority's discretion to accept or not. Full payment of an award made under this process is subject to review by the State Personnel Director.

I. If the Parties Do Not Reach Resolution

1. The appointing authority or committee report, in respect to the process at issue, *may* include recommendations, which themselves are within the appointing authority's discretion to accept or not. The decision-maker's determination cannot be altered.
2. The decision-maker's report, if any, shall be read by the supervisor and/or responding party. The decision-maker's determination shall be discussed by the supervisor and/or responding authority with the appointing authority.
3. Employees may submit a written request to the State Personnel Director provided it concerns:
 - a. the application of the Department's performance pay program to the individual employee's performance plan or evaluation, or
 - b. full payment of an award
4. The "Request for State Personnel Director Review" form is to be submitted after completion of the internal process and must be filed within 5 days after receipt of the appointing authority's decision and must include copies of all information relative to the dispute (i.e. performance evaluation, decision of appointing authority).
5. Send the request to:

State Personnel Board and Director
The Chancery Building
1120 Lincoln Street, Suite 1420
Denver, CO 80203

6. A copy of the "Request for State Personnel Director Review" form must be sent to the Appointing Authority and the Human Resources Office.
7. **The director or designee shall retain jurisdiction but may select a qualified neutral third party to review the matter. A final and binding written decision will be issued within thirty (30) days.**

J. Retaliation against any person involved in the dispute resolution process is prohibited and will not be tolerated.

ATTACHMENT A

FORMAL DISPUTE RESOLUTION PROCESS

Time Line for Resolving Disputes Under P4P*

DAY 1 – Date plan in place or should have been in place**

DAY 5 – Notice of Intent to Dispute filed with supervisor, division director or designee, and human resources; neutral party selection made, if requested

DAY 10 – Employee files dispute documentation with supervisor, division director and human resources

(If the employee fails to timely file this documentation, the dispute shall be considered as abandoned and the case will be closed. The human resources office will send notice of the case closure to the employee and all other persons noticed originally in the Notice of Intent to Dispute. The employee will have 3 working days from the date of the closure notice to make a written request that the case be re-opened. The human resource office will only re-open a case upon good cause shown by the employee.)

DAY 15 – Supervisor files dispute response with documentation to employee, division director, and human resources.

(If the supervisor decides not to file a response, s/he will send written notification to the employee, the division director, and the human resource office within the department indicating that there will be no response. The supervisor may not introduce responsive documentation after the stated deadline unless allowed to do so by the reviewer.)

DAY 18 – Deputy Commissioner or third party review committee issues meeting notice to participants and human resources

DAY 28 – Dispute meeting held

DAY 35 – Written decision issued to participants, human resources office, division director and deputy commissioner

DAY 40 – Request for State Personnel Director review must be submitted.

DAY 70 – Final and binding written decision issued by director.

***Working days, rather than calendar days, are used.** The total time for the internal process, from the date of the initial event to the date of the recommendation/determination from decision-maker, would take a maximum of 35 days.

****Day 1** can also be the day the employee signs the performance evaluation, the date informal resolution was unsuccessful, the date the agency distributes awards, or the date the parties agree the final payment should be made.

****This** depends upon which of the four areas are in dispute. Please refer to the model.

ATTACHMENT B

NOTICE OF INTENT TO DISPUTE

I, _____, hereby give notice that I intend to dispute the following:

(Check all that apply; provide a brief summary of the reason for the dispute in the space provided)

_____ 1) My individual performance plan, including lack of a plan during the planning cycle.

_____ 2) My individual final overall performance evaluation.

_____ 3) The application of my department's performance pay program to my individual plan and/or final overall evaluation.

_____ 4) Full payment of the award.

Signature: _____ Date _____

Social Security No. _____

Brief summary of the reason(s) for the dispute:

c: Human Resources Office
Supervisor
Division Director

Agency date stamp:

ATTACHMENT C

REQUEST FOR STATE PERSONNEL DIRECTOR REVIEW

This request is to be submitted after completion of the internal process and must be filed within 5 days after receipt of the appointing authority's decision and must include copies of all information relevant to the dispute (i.e., performance evaluation, decision of appointing authority). Only the issue(s) as originally presented in writing shall be considered.

IDENTIFICATION

Name: _____

Address: _____

Phone: (w) _____

_____ (h) _____

ACTION BEING DISPUTED

_____ Application of Department's Pay for Performance Program

_____ Full Payment of Reward

SPECIFIC REASONS FOR DISPUTE

Signature: _____ Date _____

Social Security No. _____

Send this request to: **State Personnel Board and Director**
 The Chancery Building
 1120 Lincoln Street, Suite 1420
 Denver, CO 80203

c: Appointing Authority
 Human Resources Office

Exhibit 6

Exhibit 6: Colorado Department of Agriculture – 2/11/03 -- REVISED

Summary of Department's Pay for Performance System (P4P) Plan

This document contains highlights of the Department's full plan, which consists of a ten-page overview, plus six exhibits with more detail. The full plan is available upon request from each division director's office or directly via e-mail from marilyn.stolpa@ag.state.co.us. If these documents differ on any point, the full plan shall prevail. **Information in boldface reflects significant changes since the November 2001 revised plan.**

A. PERFORMANCE PLANNING		
TOPIC	STATE POLICY	DEPARTMENT POLICY
P4P Mission and Purpose	To shift Colorado state government to a work culture that rewards excellence in performance in order to foster a service-oriented work force as Colorado moves into the 21 st century.	To link the Department's mission with individual and team performance.
P4P Timetable	State guidelines for P4P were released in August 2000, and have been revised several times since. Evaluation cycles may vary across departments, but payouts (lump sum or continuing) must be done or begin in July.	The Department began implementing P4P April 1, 2001. April 1-March 31 is the annual performance cycle. During April 1-30, supervisors and employees complete evaluations and revise individual plans as needed for the following cycle. Department payouts began July 2002.
Department, Division and Section Goals, Plans and Measures	All organizations must develop business plans that clearly articulate their missions, goals and objectives. They must develop internal procedures to ensure that employees are involved in aligning their performance expectations with Departmental objectives.	Department, division and section goals, plans and performance measures provide the framework for developing individual performance plans, goals, and measures. Division and section managers are encouraged and expected to involve employees in the planning process to the greatest extent feasible.
Planning and Evaluation Tools		The Department's Performance Agreement form is required for each individual performance plan and evaluation. This form is Exhibit 3 of the Department's full plan. Different versions of the form exist for different job classes.
Individual Performance Plan Development	<p>A performance planning session or some type of face-to face meeting shall occur at the beginning of a cycle to inform the employee of the system to be used in the evaluation.</p> <p>Supervisors must develop performance plans for each of their employees. If a supervisor and reviewer fail to plan and/or evaluate, the responsibility goes up the chain of command until the plan and/or evaluation is completed.</p>	<p>The performance plan can be written by the supervisor with input from the employee, by the employee with review and modification (if necessary) by the supervisor, or by a collaborative process between the two. Each supervisor's performance plan must include the skills and behaviors needed to effectively perform that supervisor's role.</p> <p>If an employee reports to two supervisors, the supervisors must jointly develop a plan for that employee, balancing the plan to the greatest extent possible.</p>
Individual Performance Plan Design: Standards	GSS developed statewide core competencies in the spring of 2001. These competencies must be incorporated into each department's next performance reviews.	The statewide core competencies are considered in the final rating for each employee. (See Exhibit 3, the Department's Performance Agreement form, for details.) Employees must meet all competencies satisfactorily to be eligible for cash payouts under P4P.
Individual Performance Plan Design: Categories and Measures	Performance measures may be quantitative (i.e., numeric) or qualitative (non-numeric).	<ul style="list-style-type: none"> • <u>Job Class Performance Factors</u> (qualitative measures—see page 7 of the Department's Performance Agreement Form) • <u>Individual Performance Factors</u> (qualitative and quantitative measures) • <u>Team/Unit Performance Factors</u> (quantitative measures) <p>Each factor is scored 1-4; decimals are allowed. Factor weights must total 100. Job Class Performance category must be at least 25%. Team (or Unit) Performance category is optional. Measures must be identified for each key performance factor.</p>
Training and Professional Growth		Supervisors and employees should discuss and review professional development and training needs annually. A professional growth plan may be included as part of the performance plan.

A. PERFORMANCE PLANNING (continued)		
TOPIC	STATE POLICY	DEPARTMENT POLICY
Supervisor Responsibilities	Supervisors who fail to evaluate their employees are not eligible for any P4P award, and are subject to action under CRS 24-50-118.	Division directors, section chiefs and other supervisors must ensure that individual performance plans are in place and that plans support division and section business plans.
Individual Performance Feedback	Some type of meeting should be held, preferably at mid-year, for a discussion regarding the employee's performance to date.	Supervisors must meet with their employees at least once during each year for an interim review of performance, coaching and feedback.

B. PERFORMANCE EVALUATION AND ALLOCATION		
pay range maximum = traditional maximum = (former) step 7 = upper limit on base-building		
TOPIC	STATE POLICY	DEPARTMENT POLICY
Performance Eval'n Rating Structure	A four-level scale will be used for performance evaluation and pay decisions.	Department Performance Plan and Evaluation scale is 100-400: <ul style="list-style-type: none"> Needs Improvement (100-200) Satisfactory (201-250) Above Standard (251-350) Outstanding (351-400)
Needs Improvement Rating	<ul style="list-style-type: none"> No performance award for employees receiving a Level 1 rating. Requires that a formal performance improvement plan, which is not a corrective action, or a corrective action be given to the employee at the same time. 	Score of 100-200: not eligible for P4P awards Formal improvement plans must be included in the new Performance Agreement with mandatory review every 60 days until the performance improvement goal is reached or corrective or disciplinary action is initiated.
Satisfactory Rating	<ul style="list-style-type: none"> May receive base-building or nonbase-building awards only for employees below pay range maximum 	Score of 201-250: for employees below pay range maximum, eligible for payouts of ½% of base salary, all base-building ***** SEE GREY BOX BELOW
Above Standard Rating	<ul style="list-style-type: none"> Employees <u>below</u> pay range maximum: (1) awards may be any combination of base building or non-base building; (2) combination of all awards must not exceed pay range maximum. Employees <u>at</u> pay range maximum are not eligible for any performance award. 	Score of 251-350: eligible for P4P awards only for employees below pay range maximum <ul style="list-style-type: none"> Employees <u>below</u> pay range maximum may receive payouts of 1-5% of base salary in step fashion, proportionate to their scores, all base building ***** SEE GREY BOX BELOW
Outstanding Rating	<ul style="list-style-type: none"> Employees <u>below</u> pay range maximum: (1) awards may be any combination of base building and non-base building; (2) may receive a non-base building award above pay range maximum at sole discretion of appointing authority. Employees <u>at</u> pay range maximum are limited to nonbase-building awards given at sole discretion of appointing authority 	Score of 351-400: eligible for P4P awards, whether or not the employee is below or at pay range maximum. <ul style="list-style-type: none"> Employees <u>below</u> pay range maximum may receive 5% from the Below Pay Range Maximum pot (base building); plus 1 to 5% from Peak Performance pot (also all base-building) Employees <u>at</u> pay range maximum may receive 1 to 10% from Peak Performance pot.
Individual Performance Evaluation	Supervisors must rate each of their employees. If a supervisor does not rate an employee, then the reviewer must rate that employee. If a supervisor and reviewer fail to plan and/or evaluate, the responsibility goes up the chain of command until the plan and/or evaluation is completed.	--The employee must be given an opportunity to provide input on his/her performance prior to the rating being given. --If an employee reports to two supervisors, the supervisors must jointly evaluate the plan for that employee, balancing the evaluation to the greatest extent possible. --Evaluation tools that provide feedback from customers, coworkers, subordinates and the employee him-or herself may be used to increase the data used to evaluate performance.
Supervisor Responsibilities	Supervisors who fail to evaluate their employees are not eligible for any P4P award and are subject to action under CRS 24-50-118.	
Individual Performance Evaluation Review	A review of the rating by the second-level reviewer must occur before final ratings are provided to employees.	Division directors are responsible for ensuring that individual performance evaluations are reviewed to determine if performance resulted in achievement of the division's goals. They shall ensure that individual performance evaluations are reviewed for consistency and fairness among raters. Second reviewers are division directors or the deputy commissioner.

B. PERFORMANCE EVALUATION AND ALLOCATION (continued)		
TOPIC	STATE POLICY	DEPARTMENT POLICY
Allocation Funding	No permanent formula has been determined for funding P4P awards. <u>The Department allocation policies at right are preliminary, and are subject to further change.</u> Appointing authorities will make pay decisions based upon the evaluations completed by raters and reviewers within system boundaries. All awards are subject to available funding and no award will be guaranteed. Maximum allowable payouts (as a % of salary) will be determined annually by the Director of the Dept. of Personnel. All annual base and non-base building awards must be a % of salary.	The Department's P4P allocation will be divided into 3 pots: <ul style="list-style-type: none"> • Below Pay Range Maximum Fund: target of 3% of total salary base of all employees below pay range maximum; allocated to divisions proportionate to below pay range maximum payroll; equal performance scores share equal percent of salaries within each division or evaluation unit. • Commissioner's Fund: up to 2.5% of Department's total P4P allocation; may be used to rectify unfair allocations. • Peak Performance Fund: balance of Department's P4P funds, after above two pots are funded. Must contain at least 25% of Department's total P4P allocation. Allocated to divisions proportionate to their total payroll; equal performance scores share equal percent of salaries within each division or evaluation unit.
Base Building vs. Non-base Building Awards	For employees <u>below</u> pay range maximum, awards may be split between base building and non-base building. For employees <u>at</u> pay range maximum, awards: <ul style="list-style-type: none"> • must be non-base building • must be re-earned annually • are only available to Peak Performers. 	A Department committee, chaired by the Department controller, shall review the Department's P4P allocation each year and make recommendations to the Commissioner concerning the appropriate balance between base-building and non-base building awards. The Department intends to make awards base-building to employees below pay range maximum, to the extent possible. No Peak Performance funds will be base building until 100% of Below Pay Range Maximum funds are base building.
Payment of Awards	Non-base building awards must be paid in full, even if the employee terminates employment. Base building awards will be paid in twelve monthly increments, beginning in July. Non-base building awards will be paid in a lump sum in the employee's July paycheck.	Part-time employees and Department employees who have not worked for the state of Colorado for the full evaluation period will be given <i>pro rata</i> awards. No awards will be made for new employees hired in January-March of the evaluation year. For transfers and new employees, evaluations from former and current positions within CDA or other state agencies shall be weighted according to the time spent in each.
Non-monetary Awards	<ul style="list-style-type: none"> • Non-monetary awards may be given in combination with monetary awards. • Non-monetary awards are not calculated in the total awards amounts. 	Non-monetary awards may include administrative leave (decided at department level for consistency) as well as flex time, flex place, wellness/fitness time, and other privileges and perks at the discretion of the division director.

C. DISPUTE RESOLUTION PROCESS		
TOPIC	STATE POLICY	DEPARTMENT POLICY
General Principles	The review process must be established within agencies with the stipulation of an objective party review. Process is not a grievance or an appeal. No party has a right to legal representation, but may have an advisor present. The reviewer may not substitute judgment for the supervisor.	Disputes should be resolved at the lowest level possible. An employee wishing to initiate the formal Dispute Resolution Process should first pursue an informal process within the division to resolve the dispute. The employee has several options, and the reviewer (division director) has broad discretion to facilitate resolution. The timeline of a departmental formal process will begin when attempts to resolve the dispute informally have been exhausted.
Reviewable Matters	(1) the individual performance plan or lack of a plan; (2) the individual performance evaluation; (3) the application of an agency's performance management plan, policies, or processes to the individual employee's plan and/or evaluation; and (4) full payment of a promised award. All such matters must be processed by the internal process established by the agency. Only matters (3) and (4) may go forward for review by the state personnel director if not resolved at the agency level.	The Deputy Commissioner is the appointing authority (i.e., decision-maker) for the Department's Dispute Resolution Process (DRP). At the Deputy Commissioner's discretion and/or at the request of the employee, a neutral third party review committee may be selected to review the dispute. A copy of the DRP will be provided to all employees annually <u>upon request</u> at the time of their evaluation. See Exhibit 5 for the Department's complete Dispute Resolution Process.